



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

OFFICE OF  
INSPECTOR GENERAL

January 30, 2015

**MEMORANDUM**

**SUBJECT:** Project Notification:  
Review of EPA's Transit Subsidy Program  
Project No. OA-FY15-0080

**FROM:** Kevin Christensen, Assistant Inspector General for Audit *Kevin L. Christensen*

**TO:** Nanci E. Gelb, Acting Assistant Administrator  
Office of Administration and Resources Management

David Bloom, Acting Chief Financial Officer  
Office of the Chief Financial Officer

The Office of Inspector General (OIG) for the U.S. Environmental Protection Agency (EPA) plans to begin preliminary research on EPA's current transit subsidy practices, policies and procedures. This project is included in our annual plan and contributes to being responsible stewards of taxpayers' dollars.

The objective of the preliminary research phase of the audit is to identify and analyze risks in the transit subsidy program. The OIG plans to conduct work at EPA headquarters and at select regional locations that have a transit subsidy program. We plan to:

- Interview EPA personnel about internal controls for the transit subsidy program.
- Review public transit policies, procedures and guidance documents.
- Assess the agency's compliance with identified applicable laws, regulations, policies and provisions.

Applicable generally accepted government auditing standards will be used in conducting our project. The anticipated benefits of this project are to improve operational efficiency, reduce cost and improve customer service.

We will contact you to arrange a mutually agreeable time to discuss our objectives and the purpose of our project. We would also be particularly interested in any areas of concern that you may have. We will answer any of your questions about the project process, reporting procedures, methods used to gather and analyze data, and what we should expect of each other during the course of the project. Throughout the project, we will provide monthly status updates to your designated point of contact.

We respectfully note that the OIG is authorized by the Inspector General Act of 1978 to have timely access to personnel and all materials necessary to complete its objective. We will request your resolution if an agency employee or contractor refuses to provide requested records to the OIG, or otherwise fails to

cooperate with the OIG. We may report unresolved access matters to the Administrator and include the incident in the Semiannual Report to Congress.

To ensure the success and timely completion of this project, please provide by February 16, 2015, the following items, along with designated points of contact, to our auditor, Cathy Allen, via email at [allen.catherineb@epa.gov](mailto:allen.catherineb@epa.gov), or let us know where to find the requested information:

1. Transit subsidy follow-up reviews and analysis discussed in “*OARM/OCFO Report on Internal Control Assessments of EPA’s Sensitive Payment Areas*,” dated April 17, 2014, and the results of any other agency assessments related to transit subsidies.
2. Most recent biennial transit subsidy report to the General Services Administration.
3. Agencywide internal control policies and procedures that pertain to transit subsidies. Please include any forms, instructions and training manuals for their applicable policies.
4. A current list of transit subsidy participants for headquarters and all 10 regions.
5. A list of calendar year 2014 transit costs (headquarters and regions).
6. A current list of agency personnel who manage transit subsidies.
7. A list of calendar year 2014 transit transactions, or provide directions for accessing EPA information systems that store this data.

The project will be supervised by Michael D. Davis, Director, Efficiency Audits. The Project Manager will be Heather Layne. Any questions about the project should be addressed to Mr. Davis at (513) 487-2363 or [davis.michaeld@epa.gov](mailto:davis.michaeld@epa.gov), or to Ms. Layne at (617) 918-1486 or [layne.heather@epa.gov](mailto:layne.heather@epa.gov).

cc: Mark Hague, Acting Deputy Chief Financial Officer  
Donna Vizian, Acting Principal Deputy Assistant Administrator for Administration and Resources Management  
Vaughn Noga, Acting Director, Office of Administration, Office of Administration and Resources Management  
Lorna Washington, Audit Follow-Up Coordinator, Office of the Chief Financial Officer  
Brandon McDowell, Audit Follow-Up Coordinator, Office of Administration and Resources Management  
Sandy Womack, Backup Audit Follow-Up Coordinator, Office of Administration and Resources Management  
Arthur A. Elkins Jr., Inspector General  
Charles Sheehan, Deputy Inspector General  
Aracely Nunez-Mattocks, Chief of Staff, OIG  
Alan Larsen, Counsel to the Inspector General  
Carolyn Copper, Assistant Inspector General for Program Evaluation  
Patricia Hill, Assistant Inspector General for Mission Systems  
Patrick Sullivan, Assistant Inspector General for Investigations  
Richard Eyerhmann, Deputy Assistant Inspector General for Audit  
Jennifer Kaplan, Deputy Assistant Inspector General for Congressional and Public Affairs  
Jeffrey Lagda, Congressional and Media Liaison, OIG